

VZCZCXRO3681
RR RUEHCN RUEHGH RUEHVC
DE RUEHGZ #1183/01 3040553
ZNR UUUUU ZZH
R 310553Z OCT 07
FM AMCONSUL GUANGZHOU
TO RUEHC/SECSTATE WASHDC 6601
INFO RUEHOO/CHINA POSTS COLLECTIVE
RUEATRS/DEPT OF TREASURY WASH DC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHMFIUU/DEPT OF HOMELAND SECURITY WASHINGTON DC
RUEAIIA/CIA WASHDC
RUEKJCS/DIA WASHDC

UNCLAS SECTION 01 OF 02 GUANGZHOU 001183

SIPDIS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [PGOV](#) [CH](#)

SUBJECT: Canton Fair: Seizing the Opportunity to Promote U.S.
Exports

(U) This document is sensitive but unclassified. Please protect accordingly. Not for release outside U.S. government channels. Not for internet publication.

1. (SBU) Summary: In the first ever U.S. Consulate-hosted forum at the Canton Trade Fair, U.S. government and business representatives discussed - with an appreciative Chinese audience - American goods and services available for import and the impact of export controls on PRC companies doing business with the United States. The Consulate intends to take advantage of frequent trade fairs in south China and work with the U.S. business community to promote U.S. products in this rapidly growing market. End summary.

Expanding Focus on Imports

2. (U) This year's 102nd China Import Export Commodities Fair (Canton Fair) continues the tradition of bringing together foreign buyers with predominantly Chinese producers to negotiate contracts for a wide variety of retail, wholesale and manufacturing products. According to news reports, the 102nd session has attracted participation from over 15,000 enterprises and the first day of the Fair drew over 40,000 visitors. More than half of the visitors came from Asia, with almost 9,000 from Europe, over 6,000 from the Americas and over 3,000 from Africa. According to reports total attendance was about 180,000 people, less than at the 101st Fair.

3. (U) This Fair, like the 101st, featured an exhibition area for foreign importers who sought orders from local Chinese firms. Even though this session's import section at nearly 20,000 square meters occupied twice as much floor space as the last session's, it still only accounted for 3 per cent of the 620,000 square meter total exhibition area. In addition to an expanded import exhibition section, Canton Fair organizers invited foreign consulates in Guangzhou to make presentations on importing each nation's products to China. Presentations were sponsored by a total of five Consulates General in Guangzhou -- the United States, United Kingdom, Australia, France and Korea.

Encouraging U.S. Exports to China

4. (U) The U.S. Consulate's presentation was an unprecedented outreach effort. Over 100 attendees packed the Huacheng Conference room of the Pazhou Complex. The agenda featured a diverse array of USG and U.S. business presenters. Conducted in Chinese, the session was led by the Consul General, with presentations by Congen's Commercial Officer and a representative of the Canton Fair. The Department of Commerce's Bureau of Industry Security (BIS) Export Control Attache Jeannette Chu traveled from Embassy Beijing to present information on the U.S. export control program for importing sensitive technologies to China. Four U.S. companies also

contributed their experiences on importing U.S. products and services to China.

15. (SBU) The 90-minute U.S. program closed with a question and answer session for attendees. In addition to commonly-asked visa questions, attendees used the opportunity to ask USG representatives about licensing of sensitive technologies and where to find additional information. Export Control Attache Chu responded by further clarifying many details of the export licensing program and directing participants to the BIS website on importing products such as U.S.-manufactured chemicals and equipment to China. Although participants seemed eager for details about importing U.S. products to China and directly investing in the United States, it was the general consensus of USG and business participants that more specific audience recruitment and more targeted presentations would be useful at future trade fair events. Several attendees personally expressed their appreciation for the Consulate's outreach efforts after the program concluded.

The UK Experience

16. (SBU) The 102nd Canton Fair was also the first time the UK Consulate General participated in the fair. UK organizers described results very similar to the U.S. experience. They reported robust turnout, but expressed concerns that the audience could have been better targeted. They also commented that future presentations should have a larger venue. Unlike the U.S. event, the UK presentation was conducted entirely in English with simultaneous interpretation, but UK officials lamented that no British companies participated. They were also disappointed - as were we - with paltry media coverage. Fair organizers invited the UK to organize a special pavilion in the main exhibition area at the next Canton

GUANGZHOU 00001183 002 OF 002

Fair, but the UK Consulate remained noncommittal.

Take it on the Road

17. (SBU) Comment. Trade fairs focusing on specific industries and locations occur at least once a week in south China. The success of Congen Guangzhou's program at the 102nd Canton Fair highlights an opportunity for USG and the U.S. business community to use these forums to increase engagement with Chinese companies and industries.

Chinese officials are eager to use trade fairs to help balance China's trade account; we have been told numerous times in the past that we should exhibit at local fairs and should organize as a way of promoting our products. Export control and visa regulations are locally perceived to be huge obstacles to increased U.S.-China trade, despite the reality that only an extremely small fraction of total trade between the countries is negatively affected by these policies. Increased attention to trade fair public outreach can help counter lingering Chinese misperceptions and increase demand for U.S. products in this growing market. End Comment.

GOLDBERG